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ATTN PARIS FOR JACK MARESCA

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TAGS: SOPN, XC, US

SUBJECT: JUNE 14 EA PRESS SUMMARY

, CHINA

UPI'S DANILOFF SAYS AGENCY LEARNED TUES THAT PRES CARTER/
ADVISERS HAVE TOLD "TRILATERAL COMMISSION" THEY WILL PRESS
FOR FULL DIPLO RELS WITH PEKING BASED ON 3 CONDITIONS SAFE-
GUARDING TAIWAN'S FUTURE. SAYS ADMIRAL SOURCES REPORT
CARTER/AIDES MADE CLEAR NO DEADLINE YET SET FOR CHINA
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CHANGE, BUT THAT THEY HAVE DECIDED SPEED UP NEGOTIATIONS/
ASK FOR SPECIFIC CONCESSIONS ON ROC ISSUE. ACCORDING DANI-
LOFF, 3 CONDITIONS ARE: US TRADE/AID TO ROC--INCLUDING MIL
ASSISTANCE--MUST CONTINUE AFTER FULL DIPLO RELS ESTABLISHED
WITH PEKING; PRC MUST MAKE CLEAR, THROUGH FORMULA YET TO
BE AGREED UPON, THAT IT WILL NOT USE FORCE IN SEEKING
REUNITE TAIWAN TO MAINLAND; INTL TRADE OFFICE WILL BE SET

UP IN TAIWAN.

REUTER (6/12) REPORTS DOS' CARTE, SAID 'ONDAY THAT US HAS NO TIMETABLE FOR NORMALIZING RELS WITH PRC--STATEMENT FOLLOWED "MAINICHI" REPORTS THAT US INTENDS FORMALIZE RELS WITH PRC BY NEXT JAN. REUTER NOTES DOS SPOKESMAN ALSO SAID ROC REQUESTS FOR NUMBER DIFFERENT US WEAPONS ARE UNDER CON-

SIDERATION, BUT NO DECISION YET MADE--THIS IN REPLY TO WEEKEND REPORTS THAT US IS CONSIDERING SELLING TAIWAN 60 F-4 FIGHTER BOMBERS.

REUTER (SUN NOTES NCNA'S TUES REPORT THAT PRC IS EXPANDING TOURIST ATTRACTIONS WITH PLANS TO OPEN UP NUMBER OF NEW SCENIC SPOTS/CITIES OF INTEREST TO FON TOURISTS/OVERSEAS CHINESE. SAYS NUMBER OF FON VISITORS HAS RISEN DRAMATICALLY THIS YR, BUT SOME OBSERVERS FEEL PRESENT TOURIST FACILITIES REACHING SATURATION POINT/FURTHER EFFORTS NEEDED TO IMPROVE TRAVEL INFRASTRUCTURE. ACCORDING NCNA, NEW PLACES TO BE OPENED TO FON TOURISTS INCLUDE CHENGTU, LANCHOW, HOFEI, AND HUHEHOT.

REUTER (6/13) NOTES LANCHOW IS OF PARTICULAR INTEREST, SINCE BELIEVED HOUSE SOME OF CHINA'S MAIN NUKE RESEARCH INSTITUTES; ALSO, NOT CLEAR WHETHER KANSU PROVINCE'S TUN HUANG CAVES WITH THEIR WALL PAINTINGS WILL BE INCLUDED IN UNCLASSIFIED

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ANY TOURIST ITINERARY. NOTES NCNA ADDED THAT SEVERAL COASTAL CITIES/"NUMBER OF UP-AND-COMING INDUSTRIAL CITIES"/REVOLUTIONARY SITES/PLACES OF HISTORICAL INTEREST ALSO WILL BE OPENED TO FON TRAVEL.

TIENTSIN RADIO SAID IN 6/14 BROADCAST THAT FORMER CCP SHANGHAI OFFICIAL LI HU-CHIA HAS BEEN APPOINTED FIRST SECY OF TIENTSIN PARTY CMTE AND MAYOR OF CITY, BECAUSE ITS INHABITANTS WERE SLOW IN CRITICIZING POL EXTREMISTS. REUTER (PEKING) SAYS POL ANALYSTS INTERPRET LIN'S APPOINTMENT AS FURTHER EXAMPLE OF CONTINUING SHAKEUP AT SENIOR CCP LEVELS THROUGHOUT COUNTRY TO DESTROY ALL INFLUENCE OF "GANG OF 4."

KIRIN PROVINCIAL RADIO REPORTS HSU CHAO-CHANG, FORMER VICE-CHAIRMAN OF PROVINCIAL REVOLUTIONARY CMTE, WAS DESCRIBED AT 6/9 RALLY AS "BANEFUL DREG OF THE GANG OF 4," AND RALLY DECIDED EXPEL HIM/STRIP HIM OF ALL POSTS/HAVE HIM DEALT WITH UNDER LAW. RADIO ADDED IT WAS SAID OF HSU THAT "HE STILL REFUSES TO BOW HIS HEAD AND ADMIT HIS GUILT (REUTER PEKING 6/13).

PEKING SOURCES REPORTED TUES THAT KUO MO-JO, REGARDED AS ONE OF CHINA'S LEADING CULTURAL FIGURES, DIED 6/12 AT AGE 86 (NYT'S TREASTER).

SPAIN'S KING CARLOS SET OFF 6/14 ON TRIP TO PRC--HIS FIRST TO COMMUNIST COUNTRY--AMID CHINESE EFFORTS TO ENCOURAGE STRONGER W EUROPE AS COUNTERWEIGHT TO SOVIET, WRITES REUTER'S MENDOZA (MADRID 6/13).

2. JAPAN/CHINA

CHINESE FONMIN HAS TOLD JAPANESE EMB PEKING THAT PRC PREPARED RESUME TALKS EARLY NEXT MONTH ON JAPAN-PRC PEACE/FRIENDSHIP TREATY. CHINESE SIDE TO BE HEADED UNCLASSIFIED

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BY VICE FONMON HAN/CHIEF JAPANESE NEGOTIATOR WILL BE AMB SATO (REUTER TOKYO).

FORD MOTOR CO CHRMN WILL ARRIVE TOKYO FRIDAY FOR 2-WK VISIT EN ROUTE PRC. HENRY FORD SCHEDULED MEET W/FUKUDA/OTHER GOJ/BUSINESS LEADERS. ALSO EXPECTED WRAP UP NEGOTS ON FORD-TOYO KOGYO (MAZDA) TIE-UP. TRIP ALSO HAS FUELED SPECULATION FORD PLANS ENTER CHINESE AUTO MARKET W/JAPAN AS PRODUCTION BASE (UPI, JOC).

3. JAPAN

ACCORDING US BUSINESSMEN/DIPLOMATS IN JAPAN, COUNTRY'S REPUTATION AS EXCEEDINGLY DIFFICULT IMPORT MARKET NO LONGER ENTIRELY TRUE. US EXPORTERS TO JAPAN SAY THEY ARE MAKING SLOW BUT UNMISTAKABLE PROGRESS IN SURMOUNTING REMAINING CULTURAL/BUREAUCRATIC OBSTACLES TO TRADE. CITE GOJ'S TARIFF-CUTTING MOVES/QUOTA ELIMINATION/REDUCTION OTHER NONTARIFF BARRIERS (SCOTT-STOKES, NYT 6/13).

CHANG (WSTAR TOKYO 6/13) DOES ITEM ON JAPAN'S REACTION TO SEVERE QUAKE 6/12. REMARKS NO PANIC/LOOTING OCCURRED--EVEN PRISONERS ON SENDAI'S PENITENTIARY DIDN'T TRY ESCAPE WHEN ITS OUTER WALLS COLLAPSED.

TOYOTA/TOYO (MAZDA) REPORT HIGHER CAR EXPORTS IN MAY FROM LAST YR'S MAY LEVEL, W/TOYOTA'S US EXPORTS UP 8.2 PCT (UPI, NYT).

JAPANESE FISHERMEN REPORTED STUDYING WAYS TO SELL DOLPHIN FLESH IN JAPAN IN ORDER KEEP LIVELIHOOD/AVOID WORLDWIDE CRITICISM OVER PRACTICE OF KILLING LARGE NUMBERS DOLPHINS UNCLASSIFIED

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WHICH EAT THEIR PROSPECTIVE CATCHES. SPOKESMAN FOR IKI ISLAND FISHERMEN SAID ANOTHER FON OUTCRY AGAINST DOLPHIN KILLING WISHED TO BE AVOIDED, BUT IF MAMMALS SERIOUSLY MENACE FISHING, "WE HAVE TO FIND SOME WAYS TO PROTECT OUR LIVING" (REUTER TOKYO 6/13).

LAT'S JAMESON (TOKYO 6/12) DOES LENGTHY ARTICLE ON NARITA CONTROVERSY/FACT ISSUE HAS UNITED JAPAN'S YOUNG LEFTISTS. REVIEWS HISTORY OF NARITA PROTESTS/FINDS NO SIGNS LEFTISTS' STRUGGLE LOSING MOMENTUM.

4. KOREA

UPI'S LERNER REPORTS HOUSE ETHICS CMTE APPEARS READY START DECIDING WHETHER DISCIPLINARY PROCEEDINGS WARRANTED FOR CONGRESSMEN WHO RECEIVED MONEY FROM TONGSUN PARK. JAWORSKI WILL DISCUSS INVESTIGATIVE REPORTS W/CMTE PRIVATELY WEDS, BUT CMTE SOURCES SAY THOSE REPORTS "ESSENTIALLY BENIGN"/DO NOT RECOMMEND DISCIPLINARY ACTION.

5. CAMBODIA

SPEAKING TO REPORTERS IN TOKYO TUES, CAMBODIA DEP PM SARY SAID US/VIET AGENTS HELPED FOMENT 3 UNSUCCESSFUL COUPS AGAINST CAMBODIAN GOVT SINCE '75--IN 9/75, 76, 77. AP (TOKYO, WP) REPORTS CIA SPOKESMAN DENIED CHARGE, CALLING IT "PREPOSTEROUS."

ASKED ABOUT REPORTS FROM YUGOSLAV JOURNALISTS, SARY DENIED PP APPEARED EMPTY, SAYING ABOUT 200,000 LIVE THERE. SAID PEOPLE WHO WERE EVACUATED ARE NOW SATISFIED W/COUNTRY LIFE/DO NOT WANT RETURN PP. SAID WORST POSTWAR PROBLEM HAS BEEN HUNGER, THAT "MANY PEOPLE HAVE DIED OF STARVATION," BUT THAT COUNTRY HAS OVERCOME PROBLEM (ALSO UPI TOKYO 6/13).

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6. VIETNAM

JOC'S VEIGA (HK) NOTES THAT AMER CHAMBER OF COMMERCE IN HK IS BREAKING NEW GROUND IN TRADE CONTACTS W/SRV BY SENDING DEL TO HANOI NEXT WK AT INVITATION VIET CHAMBER. VP HK GROUP CALLED INVITATION SIGNIFICANT BREAKTHRU IN DEVEL TRADE RELS BETW US/SRV, SINCE THERE IS POTENTIAL

VIET MRKT FOR US PROD INCL PETRO EQUIP/TECH, FORESTRY/
IRRIGATION EQUIP, MINING MACHINERY, FERTILIZER/FERILIZER
PLANTS, WHEAT, COTTON.

7. INDOCHINA REFUGEES

ABOUT 150 VIET REFUGEES SCRAMBLED ASHORE ON ISLE OFF
SINGAPORE WEDS, AFTER SMALL BOAT CAUGHT FIRE/SANK. THEY
DENIED HAVING DELIBERATELY SET BOAT ABLAZE IN ORDER GAIN
REFUGE. ARRIVAL BROUGHT NUMBER REFUGEES IN SINGAPORE
TO MORE THAN 300 (REUTER SINGAPORE).

8. PHILIP,'NES

YOUNG SWISS IMMOLATED HERSELF IN FRONT OF HORRIFIED ON-
LOOKERS IN MANILA PARK TUES NIGHT. POLICE SAID PEOPLE
RAN TO HELP HER BUT WERE UNABLE TO SAVE HER. POLICE SAID

SHE WAS MEMBER OF INDIA-BASED ANANDA MARGA RELIGIOUS SECT,
THAT THEY HAD FOUND LEAFLETS IN WHICH SHE EXPRESSED DIS-
TRESS OVER ALLEGED INTL PERSECUTION OF SECT (REUTER MANILA).

9. GENERAL

JOC'S LORENZ (SINGAPORE) OBSERVES INTL ECONOMISTS MAINTAIN
E ASIA LIKELY TO ADVANCE MOST RAPIDLY IN REST OF CENTURY--
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ESP ASEAN STATES. QUOTES ICC SECY-GEN THAT AREA WILL BE
LEADING INDUSTRIAL AREA OF WORLD IN 25 YRS/UNITED CALIF
BANK PRES THAT SINGAPORE WILL SPECIALIZE AS FUNDING CENTER
W/HK AS CAPITAL MARKET FOR REGION/SINGAPORE ECONOMIST THAT
ASEAN WILL EQUAL ECON STRENGTH OF EEC BY END OF CENTURY.

COMMENT AND ANALYSIS

10. JAPAN

FANTEL (NYT 6/11) ANALYZES JAPAN'S LEAD IN AUDIO INDUS-
TRY/QUESTIONS HOW LONG JAPAN LIKELY RETAIN ITS PROMINENT
POSITION. REVIEWS HOW MARKET CAPTURED/CONCLUDES US--IN VIEW
ECON UPSWING/COMPETITIVE LABOR COSTS/SURPLUS YOUNG
ENGINEERS--MAY BE ABLE REGAIN LOST GROUND. FORESEES
REBIRTH US AUDIO INDUSTRY AS DOMESTIC MFRS BEGIN
BENEFIT FROM JAPANESE TECHNICAL ADVANCES.

11. KOREA

SUN EDIT (6/13) ON CONGRESS' SELF-EXAMINATION IN
SEVERAL RECENT SCANDALS CHASTISES ETHICS CMTE FOR

SLOW PACE KOREAN PROBE. NOTES SENATE CMTE'S "MOST RECENT TRIUMPH" WAS TO HOLD ALL HEARINGS ON KOREA SCANDAL IN PRIVATE. MEANWHILE, HOUSE CMTE HAS OFFERED LITTLE IN LAST 11 MONTHS. CONCLUDES THAT CONGRESSMEN REMAIN RELUCTANT AS EVER PURSUE WRONGDOING AMONG COMPATRIOTS.

DRUMMOND (CSM) OFFERS KUDOS FOR KOREA. SAYS DESPITE RECENT FLAP OVER BRIBERY SCANDAL, IT SHOULD BE REMEMBERED US/SK ENJOY SPECIAL RELATIONSHIP. PRAISES KOREAN PEOPLE AS -COURAGEOUS"/"RESILIENT"/"IMBUED WITH AN UNQUENCHABLE WORK ETHIC." ALSO PRAISES AMB KIM FOR KEEPING CLEAR PERSPECTIVE ON US-SK RELS.

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SCOTT-STOKES (NYT SEOUL 6/10) DOES ITEM ON SK'S FARMERS. FINDS THEM PRODUCTIVE, BUT VANISHING BREED. NOTES LURE OF CITY LIFE AS KOREAN INDUSTRY CONTINUES THRIVE. STATES FINANCING DESPERATELY NEEDED IN ORDER REVOLUTIONIZE SK'S FARMS/KEEP FOOD

PRICES FROM SOARING. FINDS HOPE FOR FARMERS IN NEW LAND REFORM LEGISLATION, WHICH SCHEDULED BE CONSIDERED BY NATL ASSEMBLY NEXT YEAR.

12. CHINA

SUN EDIT (6/13) BELIEVES INDIA'S LONGSTANDING FEAR OF PRC IS BASIS FOR GOI PRO-SOVIET TILT IN FONPOL. SAYS DESAI'S HINT OF POSSIBLE WILLINGNESS RECOGNIZE CURRENT HIMALAYAN BORDERS IN RETURN FOR CHINESE FRIENDSHIP IS GOOD OMEN. OPINES INDIAN-CHINESE DETENTE WOULD BE GOOD THING, DISTURBING NO ONE BUT MOSCOW.

HARSCH (CSM 6/13) ANALYZES PRC'S RECENT DECLARATION THAT USSR IS "MOST DANGEROUS SOURCE" OF NEW WORLD WAR/MOST LIKELY BE ITS CHIEF INSTIGATOR. FINDS STATEMENT'S PREMISE SOUND, AS MOSCOW CURRENTLY SOLE "ACTIVELY EXPANSIONIST" GREAT POWER/IS CERTAINLY CAPABLE OF WAGING WAR. HOWEVER, FINDS IT IRRATIONAL FOR SOVIETS TO THINK ABOUT DOING SO, SINCE ANY DELIBERATE PROVOCATION WOULD MEAN MOSCOW FIGHTING PRC W/NATO AT ITS BACK--OR VICE-VERSA. SAYS CHINESE SUFFER FROM SAME WISHFUL THINKING AS RUSSIANS DID IN 1939 IF THEY BELIEVE ANY SOVIET-WEST WAR COULD ALLOW CHINA SIT ON SIDELINES/"EMERGE UNSCATHED, AND INHERIT THE EARTH."

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CAMPBELL (PHINQ 6/13) STATES US BUSINESSMEN WHO HOPE FOR WINDFALL AS RESULT IMPROVED PRC-US RELS WILL BE DISAPPOINTED FOR 1 SIMPLE REASON, AS NOTED BY FORMER USLO CHIEF GATES: "THEY (CHINESE) DON'T HAVE THE MONEY." ADDRESSING PHILLY BUSINESS FORUM 6/12, GATES SAID HE WASN'T "OVERLY OPTIMISTIC ABOUT ANYONE DOING MUCH TRADE WITH CHINA." CITED PRC'S INSISTENCE ON SELF-RELIANCE/US SUPPORT, RECOGNITION OF TAIWAN. GATES ADVOCATED RECOGNITION PRC, STATING, "WITH TAIWAN OUT OF THE WAY, IT WOULD BE MUCH EASIER TO DO BUSINESS WITH CHINA."

FRASER (CSM PEKING) FINDS PLA GEARING UP FOR MAJOR TACTICAL/STRUCTURAL/IDEOLOGICAL CHANGES IN NEAR FUTURE. SAYS BOTH HUA/TENG SEE PLA AS KEY LINK IN ANY DRIVE TOWARD MODERNIZATION--WHICH FRASER DOESN'T FIND SURPRISING, SINCE PLA SO INTEGRATED W/POPULATION AS WHOLE. SEES ARMY AS SINGLE MAJOR FORCE IN CHINESE LIFE/BELIEVES HUA/TENG HAVE REACHED COMPROMISE WHEREBY PLA CAN MODERNIZE ITSELF, YET RETAIN ITS

HISTORIC ROLE AS STABILIZING FORCE. BORROWING FROM MAO, REMARKS PARTY STILL COMMANDS THE GUN, "BUT THE LEADERSHIP IS OUT TO MAKE SURE THE GUN IS AT LEAST CAPABLE OF SHOOTING BETTER" THAN IN PAST.

IN SIMILAR ITEM, LAT'S MATHEWS (HK 6/11) UNDERSCORES PRC'S RESOLVE MODERNIZE ARMY-EVEN IF IT MEANS IMPORTING WESTERN TECHNOLOGY/HARDWARE. NOTES SHIFT FROM MAO'S PHILOSOPHY THAT MEN, NOT MATERIALS, MAKE ARMY. BELIEVES PRC'S CHIEF AIM IN MODERNIZATION IS NOT NUCLEAR, BUT SOPHISTICATED, CONVENTIONAL MILITARY EQUIPMENT. CITES WH OPPOSITION TO ANY US ARMS SALES, BASED UPON CONCERN THAT CHINESE WEAPONS MAY EVENTUALLY BE USED AGAINST TAIWAN. HOWEVER, QUOTES UNCLASSIFIED

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ONE EUROPEAN IN HK THAT WHILE US MIGHT RAISE "TERRIBLE RUCKUS" FOR THE RECORD OVER SUCH ARMS SALES, "OUR IMPRESSION IS THAT SECRETLY THEY'D BE VERY GLAD" TO SEE CHINESE TRULY TRYING COUNTER SOVIETS.

RESTON (NYT) SEES COUPLE "VAGUE INDICATIO'S" RECENTLY THAT CARTER ADMIN IS TRYING "BY INDIRECT MEANS" TO FIND

FORMULA FOR NORMALIZING RELS WITH PEKING. NOTES, FOR EXAMPLE, THAT PRES SAID PRIVATELY IN RECENT DAYS THAT US HAS BEEN INFORMED UK/France HAVE BEEN TALKING ABOUT SEL-LING PRC MODERN ARMS/TECHNOLOGY, AND THAT US HAS RAISED NO OBJECTIONS; ALSO CITES WEINRAUB'S (NYT) REPORT THAT US HAS QUIETLY AGREED TO CHINESE REQUEST FOR AIRBORNE GEOLOGICAL SURVEY EQUIPMENT. RESTON SAYS THIS MAY HAVE BEEN WHAT BRZEZINSKI HAD IN MIND WHEN HE REMARKED AFTER PEKING RETURN THAT HE HAD REAFFIRMED "OUR COMMITMENT TO NORMALIZATION AND PERHAPS TO MAKE A MODEST CONTRIBUTION OF AN INDIRECT SORT TO IT."

BUT, DESPITE RECENT SYMBOLIC MOVES TOWARD COMPROMISE WITH PEKING, US STILL HASN'T SOLVED TAIWAN DILEMMA, SAYS RESTON. SAYS ADMIN HOPE IS THAT PRACTICAL STEPS, SUCH AS IMPROVED SINO-US TRADE--INCLUDING DUAL PURPOSE TECHNOLOGY/SHIPMENT ALLIED ARMS TO PEKING, WITH US APPROVAL--WILL LEAD PRC TO INDICATE ON ITS OWN THAT IT WILL SETTLE TAIWAN PROBLEM BY PEACEFUL MEANS. CONCLUDES THAT CHINESE HAVE ATLEAST SEEMED LITTLE MORE IMPATIENT FOR RECOGNITION, "BUT NOT MUCH," AND CARTER KEEPS TRYING BY SIGNS/SIGNALS/INDIRECT CONCESSIONS TO CHANGE THEIR MINDS--SO FAR WITHOUT MUCH SUCCESS.

KRAFT (GLOBE 6/10) ANALYZES BRZEZINSKI'S ROLE IN ADMIN/PERFORMANCE/THEORIES. AMONG OTHER EXAMPLES, NOTES THAT UNCLASSIFIED

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UNDER CARTER, ZBIG "HAS BEEN TOUGH" ON CHINA/SOVIET/THIRD

WORLD. OBSERVES THAT HE ALSO HAS ALIENATED SEVERAL FONGOVTS. SAYS SEVERAL OF ZBIG'S COMMENTS--INCLUDING ONE MADE RECENTLY AT CHINA'S GREAT WALL ("LAST ONE TO THE TOP GETS TO FIGHT THE RUSSIANS IN ETHIOPIA") SUGGEST "LACK OF NICE JUDGMENT/EVEN GOOD TASTE."

ROCHE (WSTAR 6/13) SEES PRC WITH "MINI-MAX STRATEGY" TOWARDS US--MINIMUM IS TO PERSUADE AMERICANS CONTRIBUTE SUBSTANTIALLY TO CHINA'S MODERNIZATION; MAXIMUM IS TO STIMULATE SOVIET-US CENTRAL NUKE WAR. ASKS HOW TALK OF NORMALIZING RELS W/REGIME "THAT PLEASANTLY ANTICIPATES YOUR RADIOACTIVATION?"

CBS'S MARVIN KALB (6/13) CITES "RUSH OF STORIES ABOUT CHINA" IN LAST FEW DAYS. NOTES ONE ITEM MAKES ASSUMPTION CHINESE ARE SO EAGER FOR FULL NORMALIZATION WITH US THAT THEY WOULD ACCEPT "RATHER NOVEL AND BIZZARE ARRANGEMENT" OF US BEING ABLE SELL WAR PLANES TO ONE OF THEIR "PROVINCES," TAIWAN, AND THAT WOULD BE ALL RIGHT WITH PEKING. SAYS IF THERE IS "NO DEADLINE" FOR ESTABLISHING RELS

WITH PEKING, AS DOS'S CART R SAID MONDAY, THEN THERE IS GOOD DEAL OF LOGIC BEHIND PRESIDENTIAL DECISION TO ESTABLISH RELS WITH PEKING/BREAK WITH TAIWAN AFTER NOV ELECTIONS AND BEFORE NEW SENATE BEGINS DEBATING SALT.

KALB OBSERVES THAT PLAYING SO-CALLED "CHINA CARD" HAS ALWAYS BEEN US OPTION, AND IT MAY BE REQUIRED TO HELP SELL SALT AGREEMENT TO RELUCTANT SENATE. BUT THERE IS NO ASSURANCE THAT PLAYING "CHINA CARD" WILL GET SALT TREATY THROUGH CONGRESS, NOR IS THERE ANY ASSURANCE PEKING WILL ALLOW US SET UP KIND OF SPECIAL MIL SUPPLY RELS WITH TAIWAN AS PRICE FOR NORMALIZATION.

RETIRED ARMY COL BALMFORTH, WHO ONCE SERVED AS ARMY
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ATTACHE IN AMEMB TAIPEI, WRITES NYT (6/13) THAT TENG IS IN CHARGE IN PRC, AND HUA LITTLE MORE THAN PUPPET. ALSO CONTENTS MAO WAS NEVER IN REAL POWER AFTER GPCR FAILURE. ADDS THAT "GANG OF 4" IS EUPHEMISM IN DISGUISE--WAS ACTUALLY GROUP OF 5, MAO BEING FIFTH MEMBER. CAUTIONS TENG IS NOT ONLY ROBUST MENTALLY, BUT "DOWNRIGHT KEEN AND CONSUMMATELY TOUGH."

13. INDONESIA

WSJ'S NEWMAN (SOLO) OBSERVES THAT JAVA'S EXPERIENCE IN GROWING RICE IS "CHILLING REMINDER" THAT "WORLD FOOD CRISIS IS STILL W/US." SAYS IT IS ALSO SOBERING EXAMPLE OF SOCIAL/ECON/POL HURDLES 3RD WORLD FACES IN DEALING W/THEIR PROBLEMS. NOTES GREEN REV DID PRO-

DUCE MORE RICE ON JAVA, BUT POOR CAN SCARCELY AFFORD IT. AS MORE FARMS TURN TO TECHNOLOGY, SAYS LANDLESS DRIVEN INTO MTS IN SEARCH OF FOOD/FUEL, CAUSING DEFORESTATION WHICH LEADS TO EROSION/EROSION WHICH RESULTS IN FLOODS/DROUGHTS THAT EVENTUALLY WILL TAKE THEIR TOLL IN RICE LAND BELOW/DRIVE STILL MORE PEOPLE INTO MTS.

14. GENERAL

JOC EDITORIAL(6/13) NOTES THAT SPECTACULAR GROWTH IN EXPORT VOLUME OF ADVANCED DEVEL COUNTRIES (ADCS) IS RESULTING IN MEANINGFUL SHIFT IN PATTERN WORLD PROD, W/KOREA/HK/SINGAPORE/TAIWAN/OTHERS SHOWING EXPORT VOLUME GROWTH IN DOUBLE DIGIT FIGURES FOR 3 STRAIGHT YRS. NOTES JAPAN/LESS INDUSTRIALIZED EUR COUNTRIES BOOSTED THEIR SHARE OF GLOBAL PROD BY 5 PCT. SAYS LDCS CURRENTLY ACCOUNT FOR MUCH AS 1/4 US EXPORTS OF MANUFACTURES, MAKING THEM EVEN MORE IMPORTANT TO US THAN EEC, BUT US EXPORTS TO LDCS HAVE FAILED KEEP UP W/IMPORTS WHICH HAS CAUSED
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ADVERSE SWING IN US TRADE BALANCE--5 BIL DOLS IN 5 YRS.
W/IMPORTS FROM LDCS GROWING AVERAGE ANNUAL RATE 25 PCT,
US TRADE GAP AMOUNTS TO 10 BIL DOLS--"FIGURE TO BE TAKEN
SERIOUSLY." SAYS ASST TREAS SECY BERGSTEN THINKS IT
TIME TAIWAN/HK/SINGAPORE/PHILS/MALAYSIA BEGIN ABIDING
BY GATT TRADE RULES--"CLEARLY IN THEIR BEST INTERESTS"
SINCE CONGRESS/UNIONS "GETTING RESTIVE." CONCLUDES GOVTS
THOSE NATIONS MUST ABIDE BY INTL RULES IF THEY ARE TO
SHARE IN SPOILS. CHRISTOPHER

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